

APPRAISAL REPORT

Parking Lot
Grove Street Municipal Parking Lot
Corner of Grove Street and Highland Avenue
Somerville, Massachusetts
File 09027-B

PREPARED FOR

Ms. Monica R. Lamboy, Executive Director
Office of Strategic Planning & Community Development
City of Somerville, City Hall
93 Highland Avenue
Somerville, MA 02143

DATE OF VALUATION

May 15, 2009

PREPARED BY

Walter H. Pennell, MAI, CRE
Senior Vice President
MA Certified General R.E. Appraiser #386
Hunneman Appraisal and Consulting Company, Inc.
303 Congress Street
Boston, Massachusetts 02210

June 6, 2009

Ms. Monica R. Lamboy, Executive Director
Office of Strategic Planning & Community Development
City of Somerville, City Hall
93 Highland Avenue
Somerville, MA 02143

Dear Ms. Lamboy:

Pursuant to your request, I have completed my appraisal report of the Grove Street Municipal Parking Lot, a 9,100 sq. ft. public parking site with 25 parking spaces. The purpose of this appraisal was to estimate the current market value of the fee simple interest in the property assuming the site was redeveloped with a hotel, its accessory parking and/or the replacement of the existing parking. This appraisal also includes a land value for commercial development in accordance with the CBD zoning regulations and dimensional requirements. The report is intended for the use by the City of Somerville for disposition purposes. The final value assumed hotel development, which is not the highest and best (current) use of the property.

This report is based on my personal inspection of the appraised property and environs, analysis of relevant market data and on my experience with similar valuation assignments. It describes the methods of valuation and presents data pertinent to the appraisal process. This appraisal is also predicated on a number of important Assumptions and Limiting Conditions which are outlined in the Addenda, and your attention is invited to the Summary of Important Facts and Conclusions shown on Page 5.

16. The descriptive information in this report was based upon public records and my inspection of the property.
17. The appraiser was instructed to value the property based upon the dimensional regulations and other land use controls that govern the development of properties located in the Central Business District. The City of Somerville requested that this appraiser provide a land value for future hotel development. Although this value is presented as the final value, hotel development is not considered to be the highest and best use of this property due to its very small lot size. To avoid confusion and not to mislead the readers, both the hotel value and the commercial land value are presented in this report. The final value of \$500,000 assumes hotel development and, in my opinion, other uses would generate a higher land price. Therefore, if the site is

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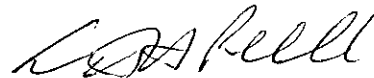
redeveloped with an office building, a retail building or any other improvement other than a hotel, the land value is \$870,000.

As a result of the facts and analyses contained in the attached report, it is my opinion that the market value of the Fee Simple Interest in the subject property for hotel development as described herein, and as of May 15, 2009, was:

\$500,000

(FIVE HUNDRED THOUSAND DOLLARS)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. H. Pennell", written in a cursive style.

Walter H. Pennell, MAI, CRE
Senior Vice President
Massachusetts Certified General
Real Estate Appraiser, License #386

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III. ADDENDA

Assumptions and Limiting Conditions
Qualifications of Appraiser

I. INTRODUCTION

A. Certification

I, the undersigned, do hereby certify that:

- I have inspected the subject property;
- To the best of my knowledge and belief, the statements of fact contained in this report, and/or retained in my files, upon which the analyses, opinions and conclusions expressed herein are based, are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions;
- Employment in and compensation for making this appraisal are in no way contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan;
- I certify that I have no interest, either present or contemplated, in the subject property;
- I have no personal interest or bias with respect to the subject matter of the appraisal report or the parties involved in this assignment;
- Mr. William Zagata provided significant professional assistance to the person signing this report. Mr. Zagata collected and analyzed land sales and verified land sales with various brokers and buyers.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives, and this report has been prepared in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

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As a result of the facts and analyses contained in the attached report, it is my opinion that the market value of the Fee Simple Interest in the subject property for hotel development as described herein, and as of May 15, 2009, was:

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(FIVE HUNDRED THOUSAND DOLLARS)

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. H. Pennell', written in a cursive style.

Walter H. Pennell, MAI, CRE
Senior Vice President
Massachusetts Certified General
Real Estate Appraiser, License #386

- As of the date of this report, Walter H. Pennell, MAI, CRE has completed the requirements of the Continuing Education Program of the Appraisal Institute.

B. Purpose, Function and Scope of the Assignment

The purpose of this appraisal is to estimate the market value of the Fee Simple Interest in the subject Grove Street Municipal Parking Lot for the development of a hotel, its accessory parking and the replacement of the existing parking. The property is located at the Corner of Grove Street and Highland Avenue in Somerville, Massachusetts. This information was requested by the City of Somerville for disposition purposes. The Grove Street Municipal Parking Lot is currently utilized as a neighborhood parking lot with 25 metered parking spaces.

The appraiser has inspected the subject property. No site plan of the subject was provided by the client or located by the appraiser. The scope of work utilized in this appraisal includes: the study of general market conditions; a review of hotel land sales and market conditions, parking supply and demand conditions in Somerville and surrounding areas; and an evaluation of zoning, property tax, and highest and best use issues. Interviews were conducted with: numerous City officials including ones in Capital Projects Management, Traffic and Parking, Planning and Community Development, and Planning and Zoning; local real estate brokers and parking lot owners in Somerville; parking operators and employees in other towns; commercial lending officers; property managers; architects; and other commercial real estate appraisers.

An attempt was made to confirm all comparable transactions reviewed with a principal or broker. Rate analysis was performed by a recent survey of investment criteria and the band of investment method. Both the Sales Comparison and Income Approaches were utilized, while the Cost Approach was not considered appropriate. The research, analysis, and resulting opinions have been reported in this summary, narrative appraisal.

C. Interest Appraised

The property interest appraised herein includes the Fee Simple Interest in the property, subject to the various Assumptions and Limiting Conditions included in the Addenda.

D. Effective Date of Value

The market value estimate contained herein is as of May 15, 2009. The appraiser inspected the parking lot on April 10, 2009.

E. Definition of Market Value

Market value is defined as “the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- The buyer and seller are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”¹

¹Final Rule of the Office of the Controller of the Currency (OCC), Aug. 24, 1990, Section 34.42 (f)

F. Summary of Important Facts and Conclusions

Location: Corner of Grove Street and Highland Avenue
Somerville, Massachusetts

Type of Property: Municipal Parking Lot – 25 surface spaces

Interests Appraised: Market Value of Fee Simple Interest

Land Dimensions:

Area: 9,100 sq. ft.

Frontage: 150 ± feet on Grove Street
60.36 feet on Highland Avenue

Depth: 150 feet ± on average

Shape: Nearly rectangular

Improvements: Paved asphalt parking lot

Date of Value: May 15, 2009

Indicated Values:

Sales Comparison Approach:

Hotel Land Sales:	\$500,000
Parking Lot Sales:	\$875,000
Commercial Land Sales:	\$864,500

Final Estimated Market Value:

Hotel Land Value: \$500,000

II. DESCRIPTION, ANALYSIS AND CONCLUSIONS

A. Market Overview

As of the date of valuation, the U.S. economy was continuing its steady decline marked by broad based layoffs, declining consumer confidence, increasing bankruptcies and a bleak economic outlook expected to continue into 2010 and potentially longer. President Obama's \$800 billion emergency stimulus package passed with the intention of bolstering the economy by creating 3 to 4 million new jobs. This plan comes on the heels of the \$700 billion Bush bailout bill passed to facilitate the government acquisition of under-performing loans and real estate portfolios and to prop up banks by injecting \$250 billion into U.S. financial institutions, including nine of the nation's largest banks. A scaled back bailout of the U.S. Automotive Industry was also approved by the outgoing Bush Administration and may require additional capital infusions in the coming months as automakers have begun posturing for additional funds.

Credit markets have been tightening in nearly all markets for a year or more and may not ease significantly for some time. It is also likely that it will take months before the short-term debt market improves, which is a necessary step for banks to resume lending to corporations, small businesses, municipalities and individuals. A recovery in the credit market is the key determinate to values and the marketability of real estate. Struggling companies have experienced declining yields on their debt, and many firms and developers have been shut out of the debt market because of high borrowing costs or the lack of funds.

B. Regional Analysis

The Fall Economic Outlook of The New England Economic Partnership, a consortium of regional economists, is summarized below:

"The forecast calls for growth across the region to remain below the national average through the remainder of the decade, with few exceptions. The outlook is for a weaker regional economy than that anticipated in the NEEP spring 2007 forecast, with the broadening effects of the national credit crisis and economic vulnerabilities extending from the housing market to other sectors of the economy cited as factors.

Real gross product growth across the region is expected to average just 2.2 percent per year from 2006-2011 – lower than the 2.6 percent rate of annual

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growth forecast in spring 2007. NEEP anticipated the weakest quarters for the New England regional economy to be Q4 2007, and Q1 2008, with growth in gross regional product of 1.6 and 1.7 percent. The regional economy is then expected to experience a slow and modest recovery, with a peak of 3.4 percent in Q1 2009.”²

Since inception of the “Credit Crunch” and economic downturn that escalated in the fourth quarter of 2008, unemployment rates increased to approximately 8.2% nationally and slightly less locally. This reflects a substantial increase in unemployment from 4.8% in 2005 in Massachusetts and from 4.6% nationwide since June, 2007. Historically, the Massachusetts unemployment rate has been below the U.S. unemployment rate. However, the gap narrowed in recent months and high levels of unemployment in Massachusetts will continue throughout 2009 with some improvements expected in 2010 and 2011.

Demographics

Population statistics listed below for the state as a whole indicate that the population has had a moderate increase in the last decade.

<u>Year</u>	<u>Population</u>	<u>Percent Change</u>	<u>Density Per Square Mile</u>
1960	4,690,514	--	598
1970	5,149,834	+10%	657
1980	5,689,170	+10%	726
1985	5,737,037	+1%	732
1988	5,750,101	less than 1%	734
1990	6,016,425	+4.63%	767
1994	6,041,000	+.4%	771
1995	6,073,550	+.54%	775
2000	6,349,097	+4.54%	810
2004	6,416,505	1.1%	818
2005	6,398,743	-0.3%	816
2006	6,437,193	1.06%	821

The Massachusetts Department of Employment and Training projects population growth in the state to be 0.3% to 0.4% per year until 2010, while U.S. population growth is expected to be at least twice that. The 2000 census reveals that the U.S. population grew 13.1% for the past 10 years, or 1.31% per year versus the Massachusetts rate of approximately one-third of that.

² *The Economic Outlook, Fall 2007.* The New England Economic Partnership.

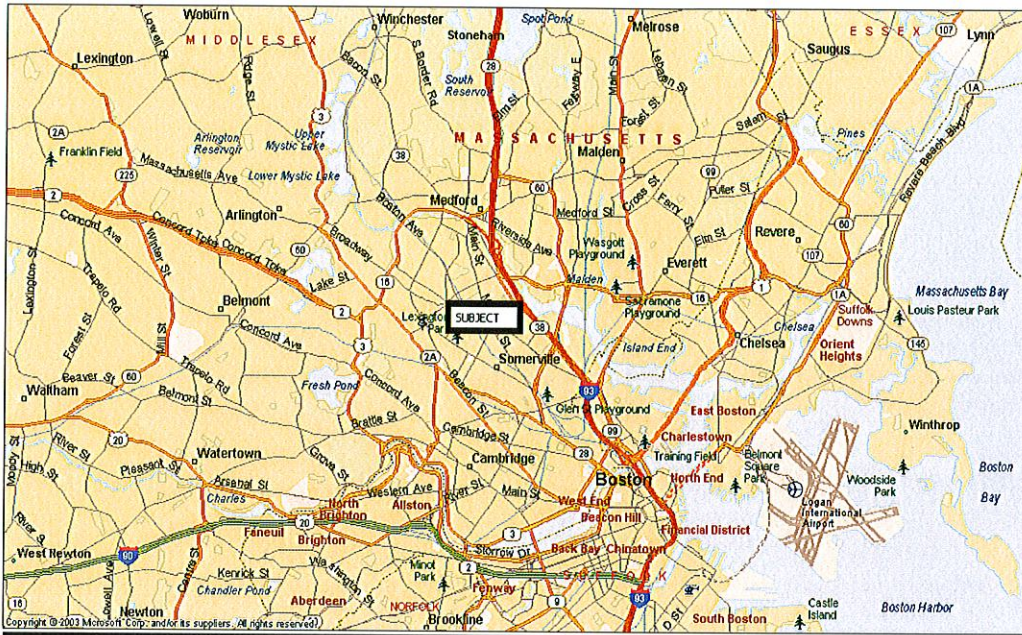
Economic Outlook

While the Massachusetts economy had been lagging behind the performance of the national economy, Massachusetts outpaced the national economy in 2006. The recent population decline of 2005 is reported to have stabilized and is predicted to grow in future years. Job growth in Massachusetts in the past year has centered in the areas of management, scientific and technical consulting services, and scientific research and development. Forecasters at the New England Economic Partnership Fall Conference noted that “Massachusetts is well-positioned to benefit from trends in globalization, and to retain its place at the high end of the economic spectrum in terms of technology, productivity, and income.”

However, the higher costs of doing business in Massachusetts – higher labor costs, energy costs, taxes and office rents – hinders the economic competitiveness and attractiveness of the state as a place to locate new businesses. In a recent report, the Commonwealth Corporation noted that the recent low overall levels of job creation might be related in part to the higher costs of production in Massachusetts. However, another Commonwealth Corporation report, “Future Growth of the Massachusetts Labor Force,” commented on a positive note that: “The economic competitiveness of Massachusetts is believed by many analysts to be primarily driven by the quality and innovativeness of its workers and entrepreneurs.”³

The widely heralded problems in the sub-prime mortgage market have led to a decline in real estate transactions in the past several months. Indeed, vacancy rates for office space began to increase in October 2008 and in Boston office vacancies from 9.5% to 11.5% in a four month period. The sharp increase in vacancy rates was the direct result of the nationwide banking crisis and economic downturn and the inability to secure loans to pay fixed and variable operating costs including rent. *The Korpacz Real Estate Investor Survey: First Quarter 2009* reported that, in some instances, properties have been removed from the market due to lack of interest or the inability to reach desired pricing levels.

C. City Description and Real Estate Markets



The subject property is situated in Somerville in the heart of the Metropolitan Boston area. Because of its proximity to the center of the urban and financial core of Boston, Somerville is influenced by the fortunes of the regional marketplace.

Somerville is an urban industrial city bordered by Arlington on the west, Medford on the north, Everett and Boston on the east, and Cambridge on the south. It is located along the divide between the lower Charles River and Mystic River watersheds. Public transportation access to Somerville is provided by the MBTA Red Line Subway at Davis Square (several blocks from the subject property). The MBTA also has a number of bus routes in Somerville. In addition, plans have been under consideration for several years to extend the MBTA Green Line Subway to Somerville and Medford. Station locations in Somerville are still being reviewed but it does appear that at least one station will be located in Union Square in addition to other locations including one sited not far from Tufts University. A new Orange Line MBTA station is also planned for Assembly Square. Highway access is provided by Interstate 93 which runs north-south along the eastern border of Somerville and Route 28 which runs in a northeasterly-southwesterly direction bisecting East Somerville.

³ "Future Growth of the Massachusetts Labor Force." *Research and Evaluation Brief, The Commonwealth Corporation*, Volume 3, Issue 2 (November 2005)

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Somerville was founded in 1842 and many of the new settlers were immigrants seeking jobs there. In the early 1850's Somerville was home to brickyards and a brass tubes foundry. As the century progressed, heavy industry, food processing and meat packing plants became the dominant industries. By the Second World War, Somerville's population had peaked at 105,833 when the population density was described as being "...greater than that of Calcutta." The residential development of Somerville was characterized by two-decker and three-decker wooden houses built to house the blue-collar workers in Somerville's industries.

In more recent years, significant planning and zoning efforts have been made to revitalize distinct Somerville neighborhoods with a focus on older industrial areas. Indeed, significant redevelopments and infrastructure improvements are planned for or occurring in Assembly Square, Inner Belt, Boynton Yards, and Union Square neighborhoods for office/biotechnology, retail, and residential uses.

The City of Somerville is composed of approximately $4.1\pm$ square miles, with an estimated population density of 18,284 persons per square mile, making it the most densely populated community in Massachusetts and in New England. According to the 2005 census figures, Somerville had a population of 74,964 residents.

Somerville has a relatively young population, 43% being between 20-39 years, perhaps attributable to the universities in the surrounding communities such as Harvard, MIT and Tufts. In addition, 29% of the residents are foreign-born and 36% speak a language other than English at home. According to the 2000 census demographics, 12.5% of individuals had incomes below poverty level, similar to the U.S. rate of 12.4%.

The City of Somerville describes the city as: "...an eclectic mix of blue-collar families, young professionals, college students and recent immigrants from countries as diverse as El Salvador, Haiti, and Brazil."

A significant portion of Somerville's housing is renter-occupied, 59% in contrast to the Massachusetts rate of 31% of renter-occupied dwellings. The median household income in Somerville was reportedly \$53,390, slightly below the state median household income of \$57,698.

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Information on Somerville's private industry indicates that employers are now primarily concentrated in the services sector. Primary employers in Somerville are in the following categories by number employed: Professional and Technical Services; Retail Trade; Accommodation and Food Services; Health Care and Social Assistance; Other Services; and Construction.

Office Market

The Class A & B office market in Somerville is relatively small consisting of only 66 buildings and 1.63 million sq. ft. of office space. The current vacancy rate is 8.8% which represents a 2.6% decline from the 1st Quarter of 2008. Average office rents in Somerville are reported to be \$22.00 per sq. ft., according to CoStar Research Report. The decline in office vacancies in Somerville is counter to increased office vacancies in Downtown Boston and throughout the Route 128 office market. The decline in vacancy rates in Somerville, however, reflects the absorption and lease up of several office buildings over the past year rather than improvement in the office market as a whole.

Retail Market

Retail vacancies nationwide increased from 2.9% in early 2008 to 4.4% today and reflect the decline in consumer spending and the impact of the economic downturn on retail sales. Therefore, the retail market, like the hotel market, experienced a correction that will continue throughout 2009 and 2010.

Hotel Market

The Pinnacle Advisory Group, a hospitality and consulting organization, prepared an analysis of the lodging supply and demand and strategic planning recommendations for the City for Somerville in November 2006. This study reviewed the demand factors for a new hotel in Davis Square including the financial service, high technology, health care, education, convention/tourist business, area demographics and employment, transportation, major developments in the area and other factors that impact the demand for hotel rooms. The City of Somerville also prepared a request for qualifications for the Davis Square Hotel Development and a hotel project summary.

The Pinnacle report identified competing supply consisting of 5 hotels located in Medford, Arlington and Somerville. The Pinnacle survey concluded that there is a potential for new hotel development in the Davis Square neighborhood. Pinnacle believed that there is a solid business from Tufts University due to its close proximity to the Tufts campus. Davis Square also has a competitive advantage due to its location within walking distance to the MBTA Red Line.

Pinnacle proposed the creation of 100 to 125 rooms. The minimum lot size must be 23,000 sq. ft. with a garage or a minimum lot size of 33,000 sq. ft. of land with appropriate surface parking. At that time (2006), Pinnacle believed that the subject market would “stabilize” at a market occupancy rate in the mid 60’s. They believed that the proposed hotel would be able to achieve occupancy in the high 60’s or low 70’s at that time.

Pinnacle concluded that, as of 2006, there was a sufficient demand to reasonably support one new hotel in Davis Square. They believed that a new hotel within Davis Square would accommodate a solid base of business from Tufts University due to its close proximity to the undergraduate Somerville/Medford campus. Furthermore, they concluded that Davis Square would benefit from a distinct competitive advantage due to the MBTA Red Line. They recommended the creation of a 100- to 125-room hotel with a parking ratio of .5 spaces per room.

With respect to the subject property, the small size of the lot (9,100 sq. ft.) would severely limit the number of potential hotel rooms. I determined, based upon the CBD zoning requirements, that a 20-room Bed and Breakfast or a small Inn could be created at this property with surface parking (the lot is too small to justify the construction of a garage). The 20-room Inn would be a wood frame building containing 7,500 sq. ft. of gross building area (see Zoning section of this report).

D. Neighborhood Analysis

The subject property is located on the corner of Grove Street and Highland Avenue, the southeasterly edge of the Davis Square area. The subject is located on the northeasterly corner of the intersection of Highland Avenue and Grove Street. Highland Avenue is a one-way street in front of the subject that runs in a southeasterly direction from Davis Square. Grove Street is a one-way street that runs in a northeasterly direction from Elm Street and crosses Highland Avenue.

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Highland Avenue is a busy thoroughfare which runs from Davis Square in a southeasterly direction to Route 28. Grove Street intersects Highland Avenue an estimated 400 feet away from the center of Davis Square. Davis Square is a significant retail, restaurant, and entertainment center of Somerville. There are also small to medium-size office buildings in the Davis Square neighborhood. Highland Avenue from Davis Square to Grove Street is comprised primarily of one- and two-story brick and masonry buildings, many of which were built in the early 20th Century. The ground floors are dedicated to retail or restaurant uses and the second stories are for office uses.

To the immediate east of the subject on Highland Avenue abutting the subject is an older, one-story brick building with a Rite-Aid Pharmacy. On the northerly perimeter of the subject are a row of parking spaces located in the Community Path right-of-way behind the subject and the Rite-Aid Pharmacy. The Community Path, to the north of the subject, is a bicycle and pedestrian walking path constructed in recent years running over abandoned railroad lines. The parking spaces in the Community Path are rented to local businesses in the neighborhood. To the north of the Community Path, the neighborhood is mainly residential with triple-decker buildings. Across the street from the subject on Highland Avenue is a playground and mixed uses of residential and retail.

Major economic activity in the neighborhood is generated by the retail, entertainment and offices located in the Davis Square area. A hotel market demand study prepared by the Pinnacle Advisory Group in 2007 describes Davis Square as follows:

“Its location proximate to nearby Tufts University, Porter Square, Harvard University as well as its convenient access to the MBTA Red Line subway station has created demand for office and retail space, and has developed Davis Square into a popular destination for restaurants and entertainment.

Davis Square is a thriving community that benefited significantly from a mass transit-oriented revitalization.the completion of the Davis Square subway stop in 1984, as well as significant aid from the City of Somerville, has transformed the area into a regional destination for restaurants and entertainment and has attracted demand for residential housing in the outskirts of the square.

The area has not quite become a major hub of commercial office activity; however, there are many small software, architecture, marketing, and design firms that occupy small office spaces in and around Davis Square.”⁴

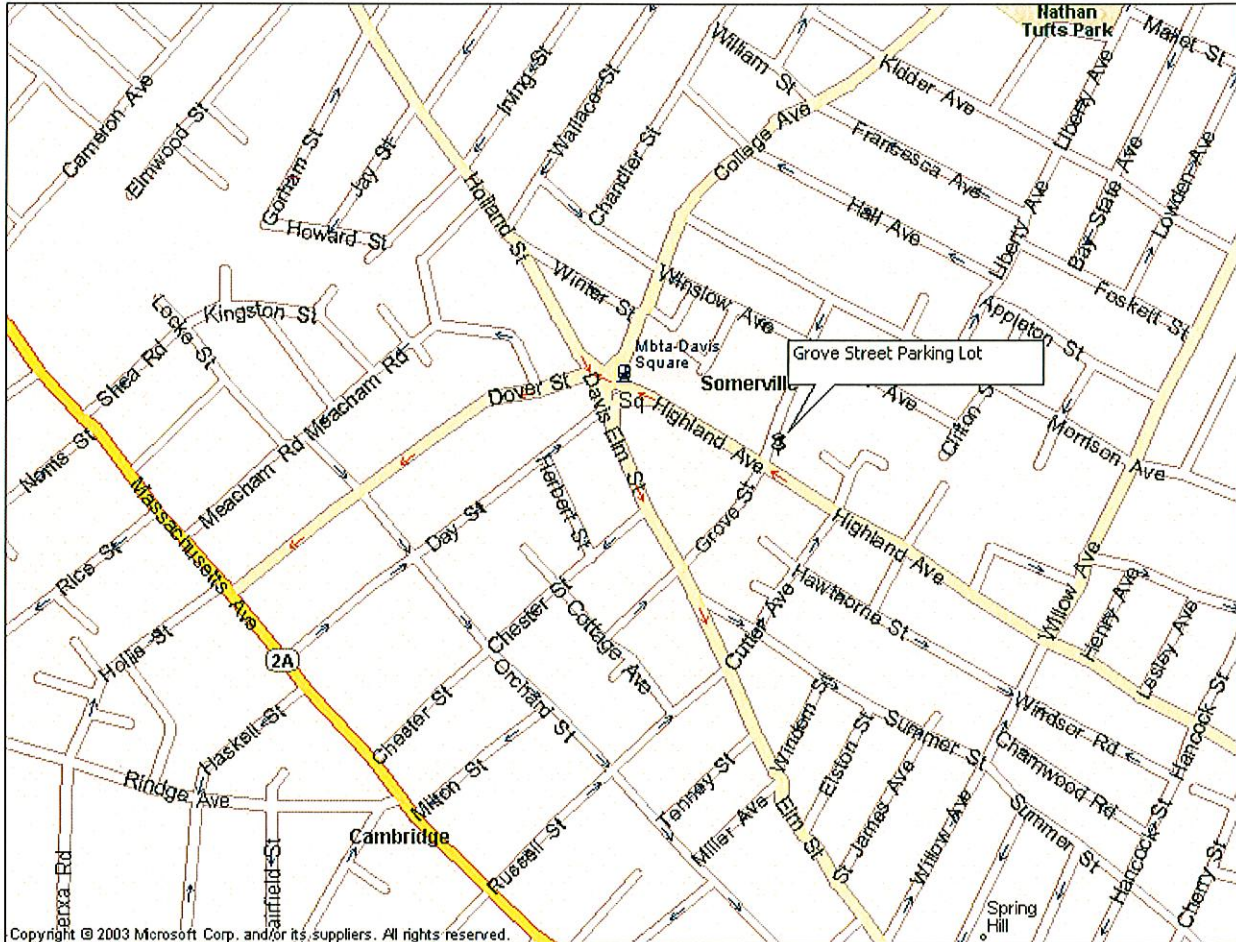
Conclusion

The neighborhood is characterized by a mixture of retail, entertainment, office and housing. Somerville City officials described weekends and nights in the Davis Square neighborhood as “thriving” and “vibrant.” The subject abuts a Rite-Aid Pharmacy which generates additional demand for parking. The mixture of commercial uses and the fact that Davis Square is perceived as a destination location combined to create a demand for parking. In addition, the Davis Square MBTA was intentionally constructed without facilities for “Park and Ride.” Owners of private parking lots surveyed in the immediate area all indicated that all spaces were utilized and that there were waiting lists for parking. Various Somerville City officials also noted that Davis Square has a large demand for parking for local businesses.

⁴ Page 21, *Analysis of Lodging Supply and Demand and Strategic Planning Recommendation: Somerville, Massachusetts*, The Pinnacle Advisory Group, February 2007.

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NEIGHBORHOOD MAP SHOWING SUBJECT

E. Property Description

Site Description

The property is located in a developed commercial, retail and residential area of Somerville. All local streets are paved and have municipal lighting.

The characteristics that best describe the site are as follows:

Size:	The site consists of a total land area of 9,100 square feet.
Frontage:	The subject has 60.36 feet of frontage on Highland Avenue, and an estimated 150± feet of frontage on Grove Street.
Shape:	The parcel is a rectangular shape.
Improvements:	The site is paved with asphalt in good condition. There are 25 parking spaces and parking meters.
Flood Plain:	The subject site is located in Flood Plain Zone C. Zone C is an area determined to be outside the 100-year floodplains.
Street Access:	Access to the subject site is from Grove Street and Highland Avenue via driveway entrances. Grove Street is one way in a northerly direction and the section of Highland Avenue in front of the subject runs one way in a westerly direction.
Easements:	There are no known easements that negatively or positively influence the subject.
Environmental Issues and Soil Conditions:	The site is appraised assuming it is clean of all hazardous waste. The subsoil is assumed to be stable.
Comments:	Access and public services are adequate and similar to those found elsewhere within the directly competitive market.



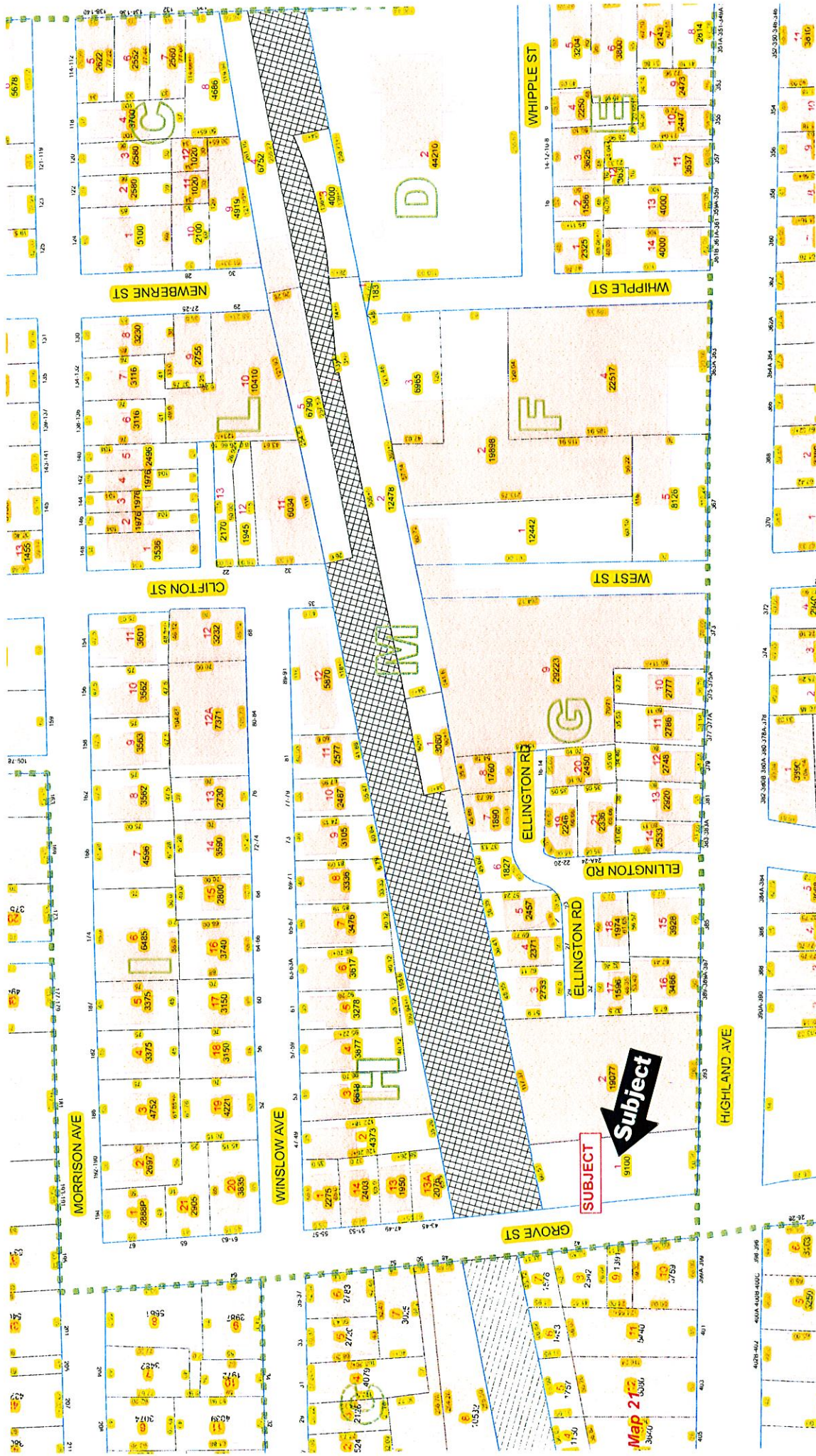
VIEW OF SUBJECT IN NORTHERLY DIRECTION LOOKING ACROSS HIGHLAND AVENUE
(Rite Aid Pharmacy on Easterly Perimeter)



VIEW OF SUBJECT LOOKING IN WESTERLY DIRECTION



VIEW OF SUBJECT LOOKING IN SOUTHERLY DIRECTION AT HIGHLAND AVENUE



F. Assessment and Tax Data

The City of Somerville has assessed the property at Grove Street and Highland Avenue for Fiscal Year 2009 as follows:

Parcel Number:	24G1	
Land Area:	9,100 sq. ft.	
Assessed Land Value:	\$869,300	
Assessed Building Value:	<u>\$ 18,000</u>	(Paving and curbs)
Total Assessed Value:	\$887,300	
Fiscal Year 2009 Taxes:	-0-	(Tax exempt, owned by City of Somerville)

G. Zoning and Other Land Use Controls

The subject property on Grove Street is situated in the Central Business District (CBD) as designated in the Somerville Zoning Ordinance, amended through June 2007. In addition, Changes to Table of Permitted Uses, Adopted March 18, 2008 applies to the following discussion of zoning.

Structured parking or open lots for parking where parking spaces are not accessory to a principal use on the same lot require a Special Permit with Site Plan Review. This applies to sites both under 5,000 SF and over 5,000 SF. Thus, the current use of the subject property is a non-conforming use. The parking use could, however, be continued if the subject property were sold, unless the use was discontinued for two years.

Pertinent uses in the CBD include: 1-, 2- and 3-family residential units; community or group residence; institutional uses including schools, libraries, hospitals, nursing homes with less than 10, 000 SF; recreational uses including public parks and health clubs with under 10,000 SF; general office and medical office uses under 5,000 SF; numerous retail uses under 5,000 SF; restaurants, other than fast foods, under 4,999 SF; and bars/taverns under 2,500 SF. Uses in excess of the above cited maximum sizes may be allowed by Special Permit (SP) without Site Plan Review or by Special Permit with Site Plan Review (SPSR).

While residential units are permitted as-of-right in the CBD, only one 3-family residential structure is permitted as-of-right under current zoning. If the subject parcel were to be subdivided to build multiple three-family residential structures, Site Plan Approval (SPA) would be required from the Planning Board.

Hotels and motels under current zoning requires a Special Permit with Design Review if less than 10,000 SF, and if over 10,000 SF requires a Special Permit with Site Plan Review. I assumed the construction of a 100-room Limited Service Hotel would be approved by the City of Somerville. However, the new hotel must conform to the dimensional requirements and FAR restrictions in the CBD Zoning District.

Almost all industrial uses, such as machine shops, distribution centers, shop and storage facilities for tradesmen, fuel oil dealer, and manufacturing, are prohibited. There are, however, a few industrial uses that require a Special Permit or a Special Permit with Design Review such as

office and storage facilities for a construction company or a research laboratory engaged in research and experimental activities.

The dimensional and density requirements that would regulate any future development of the subject property are as follows:

Central Business District – Dimensional Regulations

Minimum Lot Area:	None
Minimum Lot Area/Dwelling Unit:	
1-9 Units:	875 sq. ft.
10 or More Units:	1,000 sq. ft.
Maximum Ground Coverage (%):	80
Landscaped Area, Min. % of Lot:	10
Floor Area Ratio (F.A.R.):	2.0
Maximum Height:	
Number of Stories:	4
Feet:	50
Minimum Front Yard:	None
Minimum Side Yards:	None
Minimum Rear Yards:	10 feet, plus 2 feet for each story above ground floor
Minimum Frontage:	None
Development of 8 or More Dwelling Units:	12.5% of Total Units – Affordable Units

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The subject parking lot is a pre-existing use that requires a Special Permit and Site Plan Review. Parking requirements vary according to the use of the improvements. Parking requirements include: residential – 1.5 spaces per unit with 1 or 2 bedrooms; office other than medical – 1/575 SF; medical – 1/500 SF; retail sales – 1/500 SF; hotel, motel – 0.5 per employee on peak shift plus 0.8 per guest room, plus .25 normal requirement for any other use within the hotel.

Hotel Development

The subject lot contains 9,100 sq. ft. of land and zoning in the CBA district allows an FAR of 2 or up to 18,200 sq. ft. of gross building area. Assuming the construction of a four-story building, the building footprint size would be 4,550 sq. ft. or 50% of the total lot area. However, due to the very small size of the lot and the required open space/landscaped land (10%), the rear yard setback (16 feet) and surface parking, the actual building footprint would be less than 50% of the site.

In this case with only 20 rooms, the construction of a garage or structured parking is not physically practicable or financially feasible. The parking requirements for hotel use in the CBD zone is 0.5 spaces per employee on peak shifts, 0.8 spaces per guest room, plus .25 normal requirements for any other use within the hotel. For this assignment I assumed that one parking space per guest room.

A likely option for hotel use is the construction of a small wood frame Bed and Breakfast or a small Inn designed as a 3½-story structure containing a 7,500 sq. ft. of gross building area. The footprint size would be 3,000 sq. ft. leaving 6,100 sq. ft. of remaining land. Subtracting the 10% required landscaped or open space area (910 sq. ft.), the remaining land of 5,190 sq. ft. could accommodate 20 parking spaces at 250 sq. ft. per space including aisles and turnaround areas. Because the City of Somerville required the appraiser to assume development in accordance with the dimensional and parking regulations in the CBD Zone, the hotel would contain 20 rooms.

H. Highest and Best Use Analysis

The highest and best use of real estate is the fundamental premise upon which the estimate of market value is based. Highest and Best Use is defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."⁵

Legally Permissible

Legally permissible uses by right include retail, general office, medical office, restaurant other than fast food, all under 5,000 SF; and bars/taverns under 2,500 SF. Also permitted are 1-, 2- and 3-family residential units (Section 7.11 Table of Permitted Uses, Somerville Zoning Ordinance). A Senior Planner in the City of Somerville Planning and Zoning Department noted that by right development of the subject property is limited to the above, and that any subdivision of lots for additional development would require Site Plan Approval and Special Permit with Site Plan Review. The construction of a four-story hotel with a garage is allowed subject to receiving a Special Permit and a Site Plan Review.

Physically Possible

A likely option for hotel use is the construction of a small wood frame Bed and Breakfast or a small Inn designed as a 3½-story structure containing 7,500 sq. ft. of gross building area. The footprint size would be 3,000 sq. ft. leaving 6,100 sq. ft. of remaining land. Subtracting the 10% required landscaped or open space area (910 sq. ft.), the remaining land of 5,190 sq. ft. could accommodate 20 parking spaces at 250 sq. ft. per space.

Assuming 20 rooms, the average room size including common area would be limited to 375 sq. ft. The smaller room sizes versus national chain hotels relates to the bed and breakfast nature of this use where room sizes are typically smaller than full service hotels. Because the City of Somerville required the appraiser to assume development in accordance with the dimensional and parking regulations in the CBD Zone, the hotel would contain 20 rooms.

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fourth Edition, 2002, p. 135.

Financially Feasible and Maximum Profitability

The City of Somerville's public RFP requests bids to construct a hotel in Davis Square. Based on a review of Pinnacles study, I concluded that the construction of a Limited Service Hotel, small Inn or a Bed and Breakfast is unlikely considering the small size of the site. As previously described, the current hotel market experienced a downturn along with the economy driving down hotel occupancies and room rates. Similarly, Rev Par rates or Revenues Per Room are down from a one year ago and hotel operators are experiencing lower profits.

As instructed by my client, development must conform to the dimensional regulations governing the development of land in the Central Business District. I considered possible uses of the site including office, retail and hotel development. Although hotel development was considered a potential future use of this property, economic conditions do not justify hotel development today as occupancy rates are below the minimum threshold required for hotel construction. This issue was considered in my final value estimate of \$500,000 for hotel use.

This appraisal also includes a land value assuming development with a small retail or office building and for continued parking, albeit as a private parking lot versus a public metered parking lot. The commercial use and parking lot values range from approximately \$865,000 to \$875,000. The most likely alternative use to hotel development is a private parking lot to service nearby employees and store customers.

A local property owner or the abutter would purchase this lot as accessory parking and, under these circumstances, the land value is \$870,000. Similarly, redevelopment of the lot with a small owner-occupied retail or retail/office building would generate a higher land value of approximately \$870,000 today. Conversely, the lower land value of \$500,000 for hotel development considered the current shakeout in the hotel market and the low occupancy and room rates. Therefore, assuming the City of Somerville's RFP requires the construction of a hotel, the land value would be \$500,000 which is less than the current use value.

I. Valuation Analysis

Recognized real estate appraisal practice ordinarily requires considering the use of three basic approaches to value. These approaches, commonly referred to as the Cost Approach (land value added to the estimated reproduction cost new of the improvements less depreciation from all causes), the Income Capitalization Approach (analysis of stabilized net income and expenses and capitalization of the stabilized net income), and the Sales Comparison Approach (comparative analysis of the subject with other similar properties which have recently sold and for which the sales prices and terms are known), provide the basis for arriving at a final estimate of value.

In this appraisal the Income Capitalization Approach was omitted because the most likely buyer is an owner/user who would develop the site or use this property as a private parking lot. Because operating costs are relatively fixed on a per space basis, the Income Approach indicates a nominal net income of only \$20,500 as a public parking lot. Applying the 8.925% capitalization rate (similar to the cap rate used to value 44 Day Street), the value indicated by the Income Capitalization Approach is only \$230,000. This reaffirms my conclusion that the lot would be purchased by an owner/user for employees versus a metered lot producing limited net operating income.

The Sales Comparison Approach was deemed appropriate and was employed to value the subject property as a private parking lot and assuming commercial development in accordance with the allowed uses and dimensional requirements of the CBS Zoning District. Due to lack of improvements, the Cost Approach was not used.

J. Sales Comparison Approach (Hotel Land Value)

The Sales Comparison Approach is a valuation method based upon a comparative analysis of the subject property with similar properties which have recently sold and for which the sales prices and terms are known. Appropriate value adjustments are made to the most comparable sales to compensate for differences in location and physical characteristics, as well as market conditions at the time of sale, property interest acquired, or special conditions affecting the sale.

The adjustments are made individually, and then all of the adjustments believed necessary to compensate for the differences between the sale property and the subject are combined into an overall adjustment factor. This factor is then applied to the sale price unit of comparison to arrive at an indicated value for the subject property.

As a final step, the indicated values are weighed according to the sold property's degree of comparability to the subject, thereby arriving at an indication of value by the Sales Comparison Approach. In this case the unit of comparison is the sale price / number of hotel rooms.

I reviewed 38 land sales purchased for hotel development that occurred between 1997 and 2005 throughout the Greater Boston Area. The majority of land sales occurred between 1997 and 2000 at the inception of the high tech boom. After the Dot.Com Crash, hotel land values declined and very few land sales have occurred in recent years. Indeed, only 4 hotel land sales occurred after 2003 in the Greater Boston Area when several hotels were constructed within established office parks that provided immediate business revenue.

Because the hotel market is negatively impacted by the recession, prior hotel land sales acquired during the height of the last market cycle were discounted to reflect current market conditions. Therefore, I reviewed hotel land sales that occurred during good economic times and time adjusted the land prices downward to the date of appraisal.

Based on my research, I narrowed the search to 8 land sales. To assist the readers, a tabular summary of hotel land sales is shown on the following page along with a sales adjustment grid. The prices paid for hotel sites ranged from \$8,456 to \$17,683 per hotel room prior to adjusting for time or the decline in hotel land prices since the dates of sale. The hotels contain from 100 to 208 rooms (there is a lack of hotel land sales containing less than 100 rooms).

Hotel Land Sales Grove Street Somerville

No.	Property Address	Grantor/Grantee	Land Area AC/Sq. ft.	# of Rooms	Sale Date	Sale Price	Price per Room	Time Adj. Room (4/09)	Property Name
1	112 Donald Lynch Marlborough	BGI Holdings III LLC/ Marlborough Lodging Part.	4 174,420	112	05/09/2005	\$1,213,220	\$10,832	\$9,749	Triangular site located between Donald Lynch Boulevard and Rte. 495 and 290; level site developed with 82,602 sf Marriott Hotel; frontage on Donald Lynch Blvd and Rte 495
2	700 Unicorn Park Dr Woburn	Acquiport Unicorn, Inc./ GSH Lodging	3.93 171,103	186	02/14/2001	\$3,000,000	\$16,129	\$13,710	Irregular shaped sloping site in an established business park purchased for development with a Marriott Courtyard Hotel. The site is situated at the top of a steep hill with sloping topography requiring substantially grading and a multi-tiered parking lot. The hillside location also offers panoramic tree top views of surrounding neighborhoods.
3	43 Newbury St Peabody	DB Surf, Inc./ SS Brannen	6.26 272,798	164	03/14/2000	\$2,900,000	\$17,683	\$15,030	Irregular shaped parcel with frontage along northbound lane of Rt. 1; purchased for development with a 98,734 sq. ft. Spring Hill Suites; adjacent to Homewood Suites hotel development;
4	215 Wood Rd Braintree	Candlewood Atlanta of Ga LLC/ Braintree Great Lakes Hotel, LLC	1.91 83,380	103	11/16/1999	\$1,200,000	\$11,650	\$9,903	Level, rectangular parcel with limited frontage on Wood Street; located off Granite Street; uses in neighborhood include light industrial and manufacturing; site is adjacent to two hotel developments; property improved with a 103-room Hampton Inn
5	19 Massachusetts Ave Arlington	Robert Burnson/ Burkhard Hotel Partners	1.19 52,010	100	11/03/1999	\$950,000	\$9,500	\$8,075	Generally rectangular level lot purchased for development with a Hawthorne Suites hotel; site was improved with two freestanding structures razed by buyer; site located near intersection of Massachusetts Ave. and Rte. 16; some environmental conditions; extensive permitting process
6	203-211 Everett Ave Chelsea	Chelsea Economic Development Board/ Maple Hotel Company	2.02 87,844	180	07/15/1999	\$1,200,000 \$322,000 \$1,522,000	\$8,456	\$7,187	Frontage on Everett Avenue and Maple Street; freestanding two-story masonry building was demolished and site was redeveloped with a 180 room, 103,500 sf hotel; located on a heavily traveled connector road developed with a mixture of automotive, retail and office properties
7	85 American Legion Hwy Revere	175 Amlegion Revere Realty/ Bell Circle Associates	2.87 124,838	208	04/27/1999	\$1,900,000	\$9,135	\$7,764	Vacant site purchased for development of a 200 unit hotel adjacent to a large warehouse; heavily travelled 4-lane divided road in mixed retail, commercial, and residential area; approximately 1/4 mile east of Bell Circle;
8	130 Middlesex Pike Burlington	NNW Limited Liability Co/ Candlewood Boston, MA-Burlingt	3.49 152,024	149	03/23/1999	\$2,000,000	\$13,423	\$11,409	Rectangular lot purchased for development with a 76,544 sf Candlewood Hotel; proximate to the Burlington Mall; site was unfinished at time of sale and additional site work due to ledge

Hotel Land Sale Adjustment Grid

Grove Street Hotel Use Value

Somerville, MA.

Land Sales Adjustment Chart	1	2	3	4	5	6	7	8
	112 Donald Lynch Marlborough	700 Unicorn Park Woburn	43 Newbury St Peabody	215 Wood Rd Braintree	19 Massachusetts Arlington	203-211 Everett Ave Chelsea	85 American Legion Revere	120 Middlesex Trp. Burlington
Sale Date	05/09/2005	02/14/2001	03/14/2000	11/16/1999	11/03/1999	07/15/1999	04/27/1999	3/23/1999
Sale Price	\$1,213,220	\$3,000,000	\$2,900,000	\$1,200,000	\$950,000	\$1,522,000	\$1,900,000	\$2,000,000
Sale Price Per Room	\$10,832	\$16,129	\$17,683	\$11,650	\$9,500	\$8,456	\$9,135	\$13,423
Time adj. (-5 to -10%)	-5%	-10%	-10%	-10%	-10%	-10%	-10%	-10%
Time adj. Price/Unit	\$10,291	\$14,516	\$15,915	\$10,485	\$8,550	\$7,610	\$8,221	\$12,081
Adjustments								
Land Size/Sq. ft.		174,420	272,798	83,199	52,010	87,844	124,838	152,024
		-10%	-15%	-5%	-5%	-5%	-10%	-10%
Location	Davis Square Somerville	Superior (Office Park) captive market	Superior (Office Park) captive market	Inferior -5%	Inferior 10%	Inferior 30%	Inferior 10%	Superior -25% (Office Park) captive market
No. of Units	112	186	164	103	100	180	208	149
	100%	150%	150%	100%	100%	150%	200%	150%
Physical Factors/ Topography		5%	5%	5%	0%	0%	0%	5% ledge
Parking, Subject Assumes Surface Parking	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Inferior 10%	Similar 0%	Similar 0%	Similar 0%
Net Adjustment	95%	120%	115%	95%	115%	175%	200%	120%
Indicated Value Per Room	\$20,067	\$31,935	\$34,216	\$20,447	\$18,383	\$20,928	\$24,663	\$26,577
Average Price per Unit								
FINAL UNIT PRICE								
TOTAL VALUE								
Per Per Sq Ft Land								

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Downward time adjustments were applied to the land sales to reflect the change in market conditions from the dates of sale to the date of appraisal. In this case a -10% time adjustment was applied to the older sales that occurred between 1999 and 2001 and a -5% time adjustment was applied to one land sale that occurred in mid 2005. The time adjusted land prices range from \$7,610 to \$15,915 per hotel room.

Sale 1 consists of a level, triangular four acre site located at 112 Donald Lynch Boulevard in Marlborough. The property is generally level and did not require any extraordinary site work. The property was developed with a 112-room Residence Inn. The site is located near the entrance to the Solomon Pond Mall and includes frontage along Route I-495.

Sale 2 consists of a 171,094 sq. ft. irregular-shaped sloping site in Unicorn Park in Woburn. The property was acquired for development of a 186-room Marriott Courtyard Hotel in February, 2001, for \$3,000,000, or \$16,129 per room. The time adjusted price is \$14,516 per room. This property has a superior location being located within an established business park that supports the hotel with panoramic hillside views.

Sale 3 is located at 43 Newbury Street, Peabody, and is accessible via the northbound lane of Route 1. The property consists of an irregular shaped parcel that was purchased for the development of a 164-room Spring Hill Suites. The property was acquired in March, 2000 for \$2,900,000 or \$17,683 per room. The time adjusted price is \$15,915 per room. This hotel is supported by nearby office buildings along the Route 1 corridor.

Sale 4 is located at 215 Wood Road, Braintree off Route 128. The property consists of a 272,798 sq. ft. site that was acquired for development with a 103-room Limited Service Hotel. The property was purchased in November 1999 for \$1,200,000 or \$11,650 per room.

Sale 5 is located at 19 Massachusetts Avenue, Arlington, adjacent to the Alewife Brook and Route 16. This property consists of a rectangular shaped 52,010 sq. ft. site that was purchased for development with a 100-room Hawthorne Suites hotel with a garage. The site was improved with two free-standing concrete block structures that were demolished by the buyer. According to the buyer, the site was impacted by soil contamination that required remediation before the site could be developed.

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Sale 6 is located at 203-211 Everett Avenue, Chelsea near the Route 1 southbound ramp and Route 16. This property consists of an irregularly shaped 87,844 sq. ft. site that was acquired for a 180-unit Wyndham Garden Hotel. The purchase price in July, 1999 was \$1,200,000. The buyers were responsible for demolishing a two-story building and remediating the site of hazardous waste, the total cost of which amounted to \$322,000. As a result, the total acquisition costs including the \$1,200,000 purchase price plus the \$322,000 demolition and remediation cost was \$1,522,000, or \$8,456 per room.

Sale 7 is located at 85 American Legion Highway in Revere. This property consists of an irregularly shaped 124,838 sq. ft. site that was acquired for a 208-unit Limited Service Hotel. The purchase price in April, 1999 was \$1,900,000, or \$9,135 per room. The time adjusted price is \$8,221 per room.

Sale 8 is located at 130 Middlesex Turnpike in Burlington. This property consists of a 153,024 sq. ft. site that was purchased for the construction of the 149-room Candlewood Inn. The purchase price in March, 1999 was \$2,000,000 or \$13,423 per room.

After applying adjustments, including substantial adjustments to compensate for differences in the number of rooms, the sales indicated adjusted land values ranging from \$18,282 to \$34,216 per room assuming the creation of a 20-room hotel. The average unit price is \$24,652 per room. Based upon an analysis of the sales, the current land value for hotel use indicated by the Sales Comparison Approach is \$25,000 per room. Applying the \$25,000 room price to the 20 rooms indicated a current land value of \$500,000 for hotel use.

K. Sales Comparison Approach (Private Parking Lot)

The Sales Comparison Approach is a valuation method based upon a comparative analysis of the subject property with other similar properties which have recently sold and for which the sale prices and terms are known. Appropriate value adjustments are made to account for any differences including date of sale; location and physical characteristics such as size, shape, topography; and age and condition of any improvements.

The subject land has potential either to be a site for development with a small, retail, office or restaurant or to be purchased by an owner or owners who would use the relatively small site for private parking in conjunction with their nearby commercial or residential properties.

Thus, I have compared the subject to two groups of land sales. The first group of sales is parking lot sales and the second group is commercial land sales.

In each case comparable sales were researched in Somerville and nearby municipalities. The sales are summarized on charts and then compared to the subject property on sales comparison grids. The sales prices of the comparable sales are adjusted downward for qualities that are superior to the subject and upward for qualities that are inferior to the subject. These adjustments are extracted directly from the market through matched pair analysis, when possible. This type of data, however, is generally rare. In instances where there is lack of substantial data for such extracted adjustments, the appraiser has made adjustments based on market trends, market based costs, indirect evidence, and professional experience.

Market Conditions (Time Adjustment): This adjustment serves to bring older sales up to current the current market level. Based on an analysis of rents and on my discussions with owners and brokers, a 2.5% per year upward adjustment to the date of appraisal was made.

Conditions of Sale: Adjustments are made to sale prices to account for highly motivated buyers or sellers.

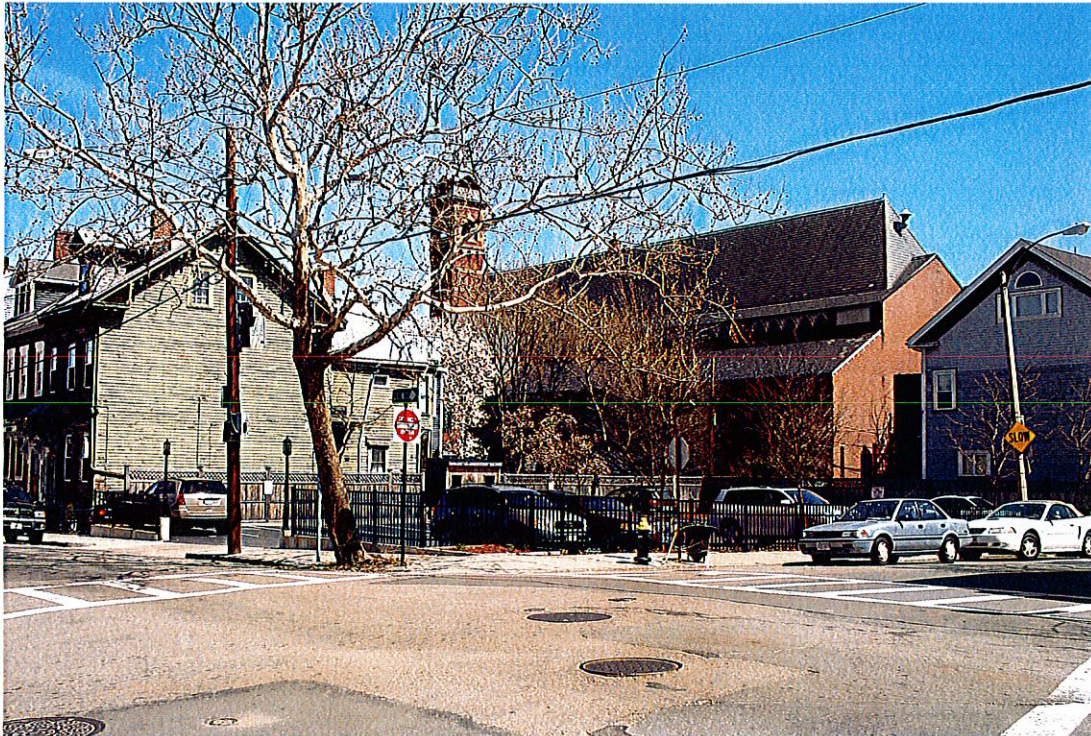
Sales Comparison Approach (Parking Lot Sales)

On the following page is a chart entitled "*Comparable Parking Lot Sales*". This summary is followed by a discussion of the most similar sales and how these sales relate to the subject with regard to value. Sales 3, 6 and 7 were not compared to the subject and were included in the chart for informational purposes only. Sale 3 was not included because the reported plans to make the site into a parking lot have not materialized, and an old industrial building not in use is still on the site. Sale 6 is located near Davis Square but is not included because it appears to be a non arms-length sale. Sale 7 is also in Somerville and not included; this sale appears to have an allocated price due to an adjoining building with a restaurant that was acquired on the same date.

The remaining sales that have been selected are compared to the subject on the "*Parking Lot Adjustment Grid*" using "Price per Parking Space" as the unit of comparison. The adjustment for parking lot improvements is based on an estimated cost of about \$1,200 per space,

COMPARABLE PARKING LOT SALES

Sale No.	Location	Grantor/Grantee	Land Area (SF)	Sale Date	Sale Price	Number of Parking Spaces	Sale Price Per Parking Space	Time Adj. Per Space (2.5% Per Year)	Comments
1	Corner East 4th & G Streets, South Boston	Albanian Orthodox Archdiocese/The G & 4th Neighborhood Realty	7,419	3/3/2004	\$760,000	24	\$31,667	\$34,743	Actual sale price was \$690,000. Improvements worth \$70,000. Vacant lot was to be sold for development, 13 residential condos. Neighborhood group purchased and removed some asbestos, improved with asphalt and lighting.
2	206 Calvary Street, Waltham	Second Kelpiz Trust/Tumbleweed Acquisitions LLC	8,838	5/12/2004	\$550,000	27	\$20,370	\$22,257	3,000 SF office on lot that was razed to create additional parking for NSTAR building on adjoining lot
3	7 Charlton Street, Everett	Duro Gibbs Rubber, Inc./7-41 Charlton LLC	19,066	1/4/2005	\$1,750,000	60	\$29,167	\$31,345	Industrial building on site that is to be demolished for parking lot. Buyer reportedly approached seller. Estimated for 60 spaces.
4	69-75 Fargo Street, South Boston	Cathartes AEW Fargo Building LLC/Livvey 451 LLC	21,732	2/4/2005	\$1,750,000	70	\$25,000	\$26,812	Parking lot owned by the original redevelopers of the Fargo Building, across Fargo Street. Now part of a large parking lot controlled by Seaport Center, remainder of which leased from Massport. Estimated to have 70 spaces.
5	256-260 Bremen Street, East Boston	R. & I. Qualtieri/AMD Development, LLC	6,403	5/25/2006	\$575,000	19	\$30,263	\$31,407	Residential neighborhood of 3-deckers. Buyer closed after obtained permits to build 9 residential units. Now in use as parking, no immediate plans to start construction.
6	94 Dover Street, Somerville	Dick Serrano/Dennis Serrano	5,512	9/27/2007	\$285,000	17	\$16,765	\$16,869	Two blocks from Davis Square, may not be an arms length sale.
7	245 Pearl Street, Somerville	Trustees of Paddock Real Est. Trust/245 Pearl Realty, LLC	2,575	1/3/2008	\$100,000	6	\$16,667	\$16,667	Tiny lot located in small, mixed-use commercial-residential area. Buyer also purchased abutting restaurant, apartment building.
8	10 West Fifth Street, South Boston	L.J. Gillis Development/MBT A Employees Credit Union	11,300	1/26/2005	\$1,500,000	36	\$41,667	\$43,777	Credit union across the street purchased, razed small building on site, paved for additional parking. City of Boston not yet issued parking license.
	Subject	N.A.	9,100	N.A.	N.A.	25	N.A.	N.A.	



SALE #1: EAST 4TH & G STREETS, SOUTH BOSTON



SALE #2: 206 CALVARY STREET, WALTHAM



SALE #3: 7 CHARLTON STREET, EVERETT



SALE #4: 69-75 FARGO STREET, SOUTH BOSTON



SALE #5: 256-260 BREMEN STREET, EAST BOSTON



SALE #6: 94 DOVER STREET, SOMERVILLE

and represents the difference between the subject improvements and those found at the sale properties.

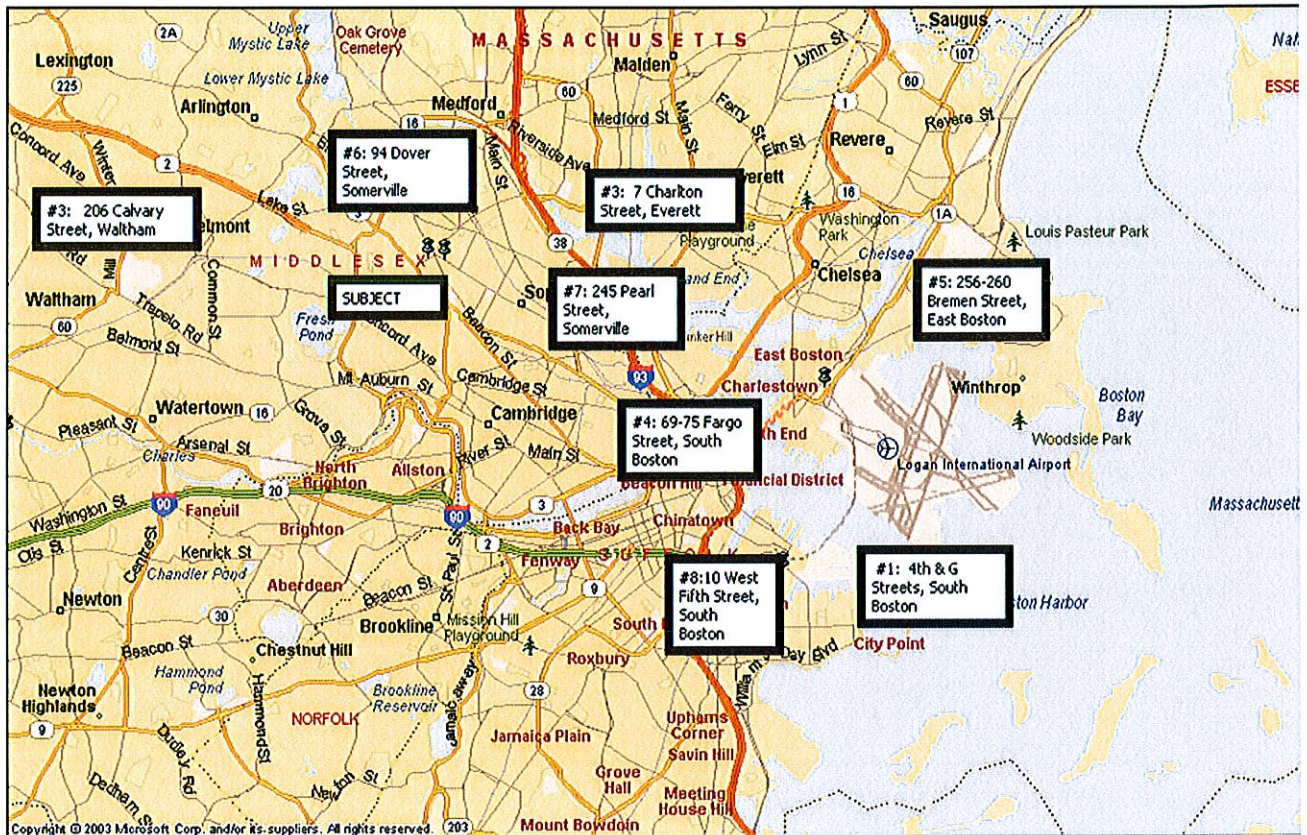
On the following page is a map showing the location of the parking lot sales discussed below. I included the best comparables among the group for comparison purposes. Therefore, the most comparable data includes Sales 1, 2, 4, 5 and 8. In addition, pictures of each of the sales are included in the report.

Parking Lot Sale 1 – 4th and G Streets, South Boston: This vacant, rectangular, level and unimproved corner lot was slated to be sold for development with thirteen residential condominiums. It is located in a mostly developed neighborhood of 1-3 family row houses. A group of neighbors combined to purchase it for \$690,000. In addition to the purchase expense, expenses were incurred for removal of some contaminated soil, permits, legal expenses, paving, striping, and lighting for a cost of about \$70,000. Thus, the total investment was \$760,000. The shareholders paid \$35,000 per parking space. Upward adjustments were required for the passage of time and location and a downward adjustment was made for the superior parking lot improvements.

Parking Lot Sale 2 – 206 Calvary Street, Waltham: This is a level, unpaved rectangular site located in a mixed industrial/commercial/residential neighborhood less than 1 mile from downtown and Main Street in Waltham. An existing 3,000 sq. ft. concrete block building was demolished. The site was purchased by an abutter, NStar, to expand existing parking for their adjacent service center. This sale requires upward adjustments for passage of time, substantially inferior location, inferior parking lot improvements and for the demolition costs.

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MAP SHOWING PARKING LOT SALES

SUBJECT PROPERTY: GROVE AND HIGHLAND STREETS PARKING LOT

PARKING LOT SALES ADJUSTMENT GRID

	Sale No. 1		Sale No. 2		Sale No. 4		Sale No. 5		Sale No. 8	
	East 4th & G Streets	% Adj.	206 Calvary Street	% Adj.	69-75 Fargo Street	% Adj.	256-260 Bremen Street	% Adj.	10 West Fifth Street	% Adj.
	South Boston		Waltham		South Boston		East Boston		South Boston	
Sale Price	\$760,000		\$550,000		\$1,750,000		\$575,000		\$1,500,000	
Sale Date	03/03/2004		05/12/2004		02/04/2005		05/26/2006		01/26/2005	
Rights Conveyed	Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Terms of Sale (Fin.)	Normal		Cash		Normal		Normal		Cash	
Adjustment	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Square Feet	7,419		8,838		21,732		6,403		11,300	
Parking Spaces	24		27		70		19		36	
Sale Price Per Parking Space	\$31,667		\$20,370		\$25,000		\$30,263		\$41,667	
Conditions of Sale	Assumed Normal		Normal		Normal		Normal		Abutter Premium	
Adjustment	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	(\$4,167)	-10.00%
Adjusted Price Per Parking Space	\$31,667		\$20,370		\$25,000		\$30,263		\$37,500	
Time Adjusted Sales Price Per Parking Space (2.5%/Year)	\$35,625		\$22,815		\$27,500		\$32,532		\$41,250	
Location	Inferior		Inferior		Inferior		Inferior		Superior	
Adjustment	\$1,781	5.00%	\$5,704	25.00%	\$4,125	15.00%	\$3,253	10.00%	-\$6,187.50	-15.00%
Land Shape/ Size	Equal		Equal		Larger		Smaller		Larger	
Adjustment	\$0.00	0.00%	\$0.00	0.00%	\$0	20.00%	\$0	-5.00%	\$2,062.50	5.00%
Topography	Equal		Equal		Equal		Equal		Equal	
Adjustment	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0	0.00%
Parking Lot Improvements Per Space	Superior		Inferior		Equal		Inferior		Inferior	
Adjustment	-\$600		\$600		\$0.00	0.00%	\$300.00		\$600	
Demolition Cost Per Space	N/A		\$700		N/A		N/A		\$700	
Total Adjustments:	\$1,181		\$7,004				\$3,553		-\$2,825	
Total Adjustments: Price Per Parking Space	\$36,806		\$29,819		\$37,125		\$34,458		\$38,425	
Average:	\$35,327									
Median:	\$35,000									

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Parking Lot Sale 4 – 69-75 Fargo Street, South Boston: This parking lot was purchased by the new owners of the Fargo Building. It is located on the opposite side of Fargo Street. It is used for parking in conjunction with adjacent land leased from MassPort for parking. This sale has been adjusted upward for inferior location and a much larger lot size which, all other factors being equal, would normally result in a lower sq. ft. price.

Parking Lot Sale 5 – 256-260 Bremen Street, East Boston: This sale is located about one quarter mile from the Sumner Tunnel. The neighborhood is developed with triple-deckers. The buyer intended to construct nine residential condominiums and did not have the requisite permits. The buyer is using the site for parking and has no immediate plans to start construction. The sale requires upward adjustments for inferior location and inferior parking lot improvements. These adjustments were somewhat offset by the lot's smaller size.

Parking Lot Sale 8 – 10 West Fifth Street, South Boston: This sale is located at the intersection of West Fifth Street and Dorchester Avenue, an excellent location. The buyer, an MBTA Employees' Credit Union, purchased the property for additional parking. A small 4,000 sq. ft. building was demolished and the lot paved and fenced. According to the owner, the City of Boston has not yet issued a parking license. This sale required downward adjustments for the presumed premium paid by the buyer for parking for their nearby bank building and for the good location just off Dorchester Avenue.

After adjustments, the parking lot sales provided the following indications of value per parking space:

Range:	\$29,819 - \$38,435
Average:	\$35,327
Conclusion:	\$35,000

The value indicated for the parking lot by the parking lot sales is:

$$25 \text{ spaces} \times \$35,000 / \text{space} = \mathbf{\$875,000}$$

Sales Comparison Approach (Commercial Land Sales)

I compared the subject site to similar commercial land sales. On the following page is a chart entitled "*Commercial Land Sales*". This is followed by a discussion of the sales and a review of the sales compared to the subject with regard to value in the "*Commercial Land Sales Adjustment Grid*" that follows. A map indicating the location of the sales and pictures of the sales are included on subsequent pages.

"Price per Square Foot of Land" is the unit of comparison utilized since it was more consistent than "Price per Square Foot of FAR". It should be noted that all of the sales required a time adjustment of 2.5% per year to the date of appraisal.

Commercial Land Sale 1 – 32 Central Street, Peabody: This sale is located about one-quarter of a mile from the Peabody Central Business District. Community Credit Union approached the owners to acquire the site for a branch bank. A two-story bagel and bakery store in good condition, according to the owners, was demolished and the branch bank constructed. This sale requires an upward adjustment for inferior location, and the irregular shape of the parcel.

Commercial Land Sale 2 – 342-350 Broadway (Route 99), Everett: This is located about one quarter of a mile north of Route 99/Route 16 interchange. It is a level rectangular lot which will require demolition of a dwelling for the buyer, a bank, to construct a new building. This sale required upward adjustments for an inferior location and for the size of the parcel which is much larger.

Commercial Land Sale 3 – 2 Haven and 7 Chute Streets, Reading: This is an assemblage of two parcels located at the edge of the downtown Reading commercial district and opposite the train station. A two-story hardware store and convenience store were demolished and a 3-story retail/office condominium building was constructed with parking located on the rear half of the ground floor. An upward adjustment for the passage of time and a downward adjustment for superior location were made.

Commercial Land Sale 4 – 11 Smith Place, Cambridge: This is a small parcel that was purchased by the owners of the office building to the rear of the site at 91 Concord Avenue. A small, older building was demolished to provide additional parking spaces for the office building.

COMMERCIAL LAND SALES

Sale No.	Location	Grantor/Grantee	Land Area (SF)	Sale Date	Sale Price	Sale Price Per SF Land Area	Time Adjusted Per SF Land Area (2.5% Per Year)	FAR SF	Price Per FAR SF	Time Adjusted Price Per FAR SF (2.5% Per Year)	Comments
1	32 Central Street, Peabody	Parianos & Goulos Realty Trust/Community Credit Union	15,682	6/15/2005	\$850,000	\$54.20	\$57.66	6,606	\$128.67	\$136.87	Bank approached seller because looking for site. Two-story building was on-site, bagel store and bakery. Existing building was in good condition, bank demolished and built new building. Actual built 6,606 SF.
2	342-350 Broadway, Everett	RSR Enterprises LLC/Eagle Bank	20,529	6/8/2007	\$1,275,000	\$62.11	\$62.88	41,058	\$31.05	\$31.44	Residential building to be demolished. Potential FAR 41,058 SF.
3A	2 Haven Street, Reading	John R. Horgan/True Value Realty Trust	3,870	4/29/2004	\$605,000	See Total - 3C		See 3C			This is one sale in two site assemblage. Assemblage for 3-story retail/office condominiums.
3B	7 Chute Street, Reading	Johnson Farm Supply Inc./True Value Realty Trust	12,489	4/30/2004	\$1,001,000	See Total - 3C		See 3C			See comment above.
3C	2 Haven Street & 7 Chute, Reading	See Sales #3A & #3B	16,359	See # 3 A & 3B	\$1,606,000	\$98.17	\$107.70	32,718	\$49.09	\$53.65	Assemblage. Built to potential FAR of 2.0.
4	11 Smith Place, Cambridge	Martha & Joseph Barrell/Arakelian Cambridge LLC	2,838	11/3/2006	\$325,000	\$114.52	\$117.62	4,257	\$76.34	\$78.42	Purchased by owner of abutting office building at 691 Concord Avenue. Small office building on site, demolished to provide additional parking.
5	243 Salem Street (Rt. 60), Medford	Mario J. Nova/East Cambridge Savings Bank	10,672	8/16/2005	\$800,000	\$74.96	\$79.41	3,735	\$214.19	\$226.91	Broker approached seller. Corner location, retail building demolished. Branch bank constructed. Actual SF built - 3,735 SF.
6	2480-2482 Massachusetts Avenue, Cambridge	DLK RT/VLW Realty LLC	11,507	8/5/2004	\$1,100,000	\$95.59	\$103.80	2,262	\$486.30	\$138.41	Dunkin Donuts constructed on site in 2005. Actual SF built - 2,262 SF.
	Subject	N.A.	9,100	N.A.							
Average											
Sales/SF	\$93.26	Median									
Time Adj. Sales/SF	\$98.18										

09017 Land Sales



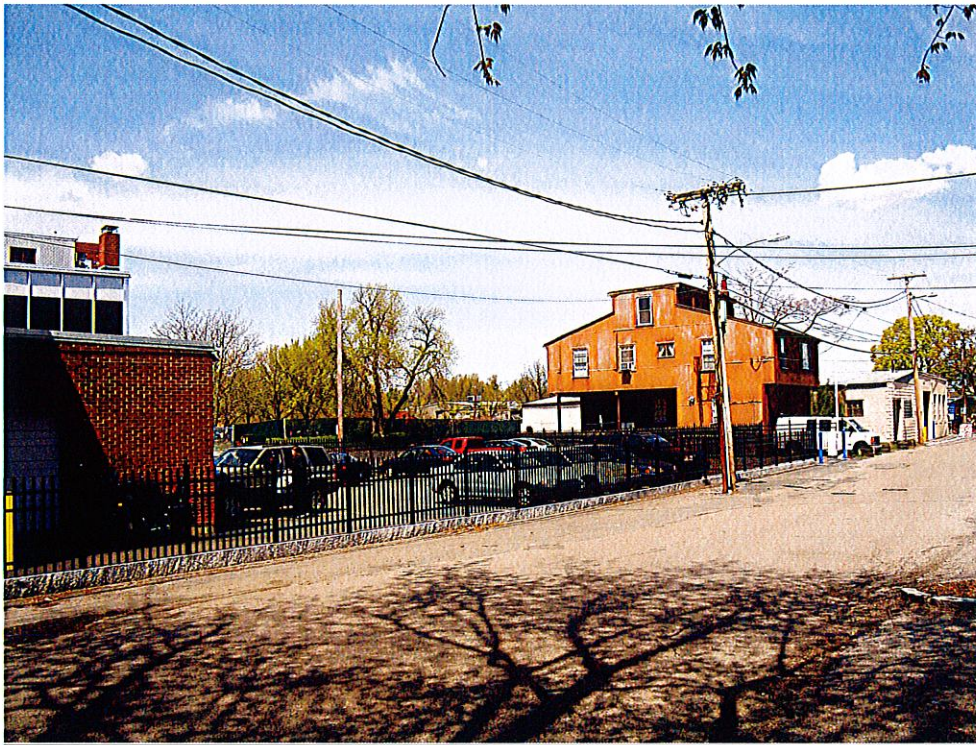
SALE #1: 32 CENTRAL STREET, PEABODY



SALE #2: 342-350 BROADWAY, EVERETT



SALES #3C: 2 HAVEN STREET AND 7 CHUTE STREET, READING



SALE #4: 11 SMITH PLACE, CAMBRIDGE



SALE #5: 243 SALEM STREET, MEDFORD



SALE #6: 2480-2482 MASSACHUSETTS AVENUE, CAMBRIDGE

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MAP SHOWING COMMERCIAL LAND SALES

SUBJECT PROPERTY: GROVE STREET AND HIGHLAND AVENUE PARKING LOT

COMMERCIAL LAND SALES ADJUSTMENT GRID
SUBJECT LAND AREA: 9,100 SF

	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4	Sale No. 5	Sale No. 6
	32 Central Street Peabody	342-350 Broadway Everett	2 Haven & 7 Chute Streets Reading	11 Smith Place Cambridge	243 Salem Street Medford	2480-2482 Massachusetts Avenue Cambridge
	% Adj.	% Adj.	% Adj.	% Adj.	% Adj.	% Adj.
Sale Price	\$850,000	\$1,275,000	\$1,606,000	\$325,000	\$800,000	\$1,100,000
Sale Date	06/15/2005	06/08/2007	04/30/2004	11/03/2006	08/16/2005	08/05/2004
Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Terms of Sale (Fin.)	Normal	Normal	Normal	Normal	Normal	Normal
Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Square Feet	15,882	20,529	16,359	2,838	10,672	11,507
Sale Price Per SF	\$54.20	\$62.11	\$98.17	\$114.52	\$74.96	\$95.59
Conditions of Sale	Normal	Normal	Normal	Normal	Normal	Normal
Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Price Per SF	\$54.20	\$62.11	\$98.17	\$114.52	\$74.96	\$95.59
Time Adjusted Sales						
Price Per SF	\$59.62	\$63.66	\$110.44	\$125.97	\$81.50	\$106.34
Location	Interior	Interior	Superior	Superior	Interior	Superior
Adjustment	\$17.89	\$19.10	-\$16.57	-\$12.60	\$12.23	-\$15.95
Land Shape	Irregular	Equal	Equal	Equal	Equal	Slightly Irregular
Adjustment	\$2.98	\$0.00	\$0	\$0	\$0	\$5.32
Topography	Equal	Equal	Equal	Equal	Equal	Equal
Adjustment	\$0.00	\$0.00	\$0	\$0.00	\$0.00	\$0
Land Size	Larger	Much Larger	Larger	Much Smaller	Equal	Equal
Adjustment	\$0.00	\$12.73	\$0.00	-\$18.90	\$0.00	\$0
10.00%	10.00%	20.00%	0.00%	-15.00%	0.00%	0.00%
Total Adjustments:	\$20.87	\$31.83	-\$16.57	(\$31.49)	\$12.23	-\$10.63
Total Adjustments:						
Price Per SF	\$95.39	\$95.49	\$93.87	\$94.48	\$93.73	\$95.71
Total % Adjustments	60.0%	50.0%	-15.0%	-25.0%	15.0%	-10.0%
Average:	\$94.78					
Median:	\$95.00					

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In addition to an adjustment for the passage of time, downward adjustments were made for the superior location and the very small size of the parcel.

Commercial Land Sale 5 – 243 Salem Street, Medford: This corner location is on Route 60 and is midway between I-93 and Route 28. A small retail store was demolished and a branch bank constructed. This sale requires an upward adjustment for inferior location. In addition, an upward adjustment is made for the passage of time.

Commercial Land Sale 6 – 2480-2482 Massachusetts Avenue, Cambridge: This irregular shaped site is located in a mixed-use area of multi-family and commercial uses. It is on the corner of Edmonds Street and Massachusetts Avenue, approximately .2 mile from Route 16, Alewife Brook Parkway. A downward adjustment is made for the superior location and upward adjustments for the irregular shape of the parcel, and the passage of time.

After adjustments, the commercial land sales provide the following indications of value per square foot.

Range:	\$93.73 - \$95.71
Average:	\$94.78
Conclusion:	\$95.00

The average price of the commercial land sales is chosen and rounded up to \$95.00.

The value indicated by the analysis of commercial land sales is:

$$9,100 \text{ sq. ft.} \times \$95 / \text{sq. ft.} = \mathbf{\$864,500}$$

The two groups of sales provide the following indications of market value:

Hotel Use:	\$500,000
Parking Lot Sales:	\$875,000
Commercial Land Sales:	\$864,500

L. Final Value Conclusion

The purpose of this section of the report is to develop the different value indicators using the various appraisal methods into a final estimate of market value. The Sales Comparison Approach was applied to estimate a current market value for a hotel use or the construction of a small Inn containing 20 rooms. Although not considered to be the highest and best use of the property, this value was requested by the City of Somerville for disposition purposes. The lower land value of \$500,000 versus the parking use value of \$870,000 demonstrates that the highest and best use of is for continued parking purposes. Nevertheless, the City of Somerville RFP proposal requires hotel development and, therefore, the final value was predicated on this use.

In the Sales Comparison Approach, three groups of sales were compared to the subject property with the following results:

Hotel Land Sales:	\$500,000
Parking Lot Sales:	\$875,000
Commercial Land Sales:	\$864,500

As a result of the facts and analyses contained in the attached report, it is my opinion that the market value of the Fee Simple Interest in the subject property for hotel development, as described herein as of May 15, 2009, was:

\$500,000

(FIVE HUNDRED THOUSAND DOLLARS)

ADDENDA

Assumptions and Limiting Conditions

In order to highlight the frame of reference in which this appraisal was made, the most significant assumptions and limiting conditions are listed below. Additional discussion or amplification may be included in the following sections of the report.

1. This appraisal is based upon the condition of the National and Regional Economies, the purchasing power of the dollar and financing rates prevailing as of the effective date of appraisal.
2. This report expresses the opinion of the signer as to the market value of the subject property as of May 15, 2009, and has in no way been contingent upon the reporting of a specified value nor of any finding to be reported.
3. No responsibility is assumed for matters legal in nature nor is this report to be construed as rendering an opinion of title which is assumed to be good.
4. The subject property has been appraised as though fully merchantable and under responsible ownership without regard to existing encumbrances, if any, such as tax liens, mechanic's liens, mortgages, etc., except as noted herein.
5. Areas and dimensions stated in this report are based upon the appraiser's measurements as well as upon plot plans, legal descriptions, and building plans provided by the Assessors' Office, client, property owner, and/or Registry of Deeds and are considered authoritative for the purpose of this report.
6. The exhibits included with this report are intended to provide visual assistance to the reader and were prepared by the appraiser for illustrative purposes only.
7. The appraiser made no survey of the property and assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would make them more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. The execution of this appraisal does not obligate the appraiser to give court testimony. If this is necessary, a separate agreement covering additional time and material expense incurred by the appraiser in preparing for and delivery of that service will be required.

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9. Possession of a copy of this report does not carry with it the right of publication nor may it be used for any purpose by anyone but the client without the previous written consent of the appraiser. If consent is granted, the report must be used in its entirety.
10. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
11. Disclosure by the appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the appraiser is affiliated.
12. All facts set forth in this report are true and accurate to the best of the appraiser's knowledge. Information furnished by others is believed to be reliable but is not guaranteed.
13. In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of asbestos insulations, lead paint and/or the existence of toxic waste, which may or may not be present on the property, was not observed by the appraiser; nor do I have any independent knowledge of the existence of such materials on or in the property. I have not been provided with a site assessment report and have also not performed comprehensive independent investigations regarding the presence of toxic waste, asbestos, etc. The appraiser, however, is not qualified to detect such substances. The appraiser urges the client to retain an expert in this field if desired.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
15. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of this act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the subject property.

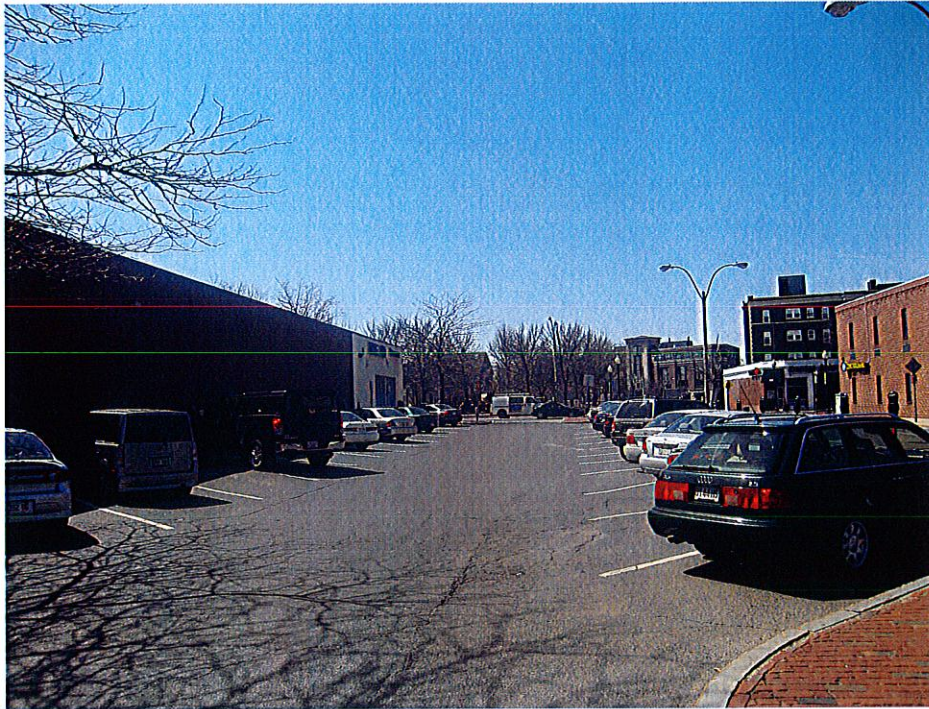
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16. The descriptive information in this report was based upon public records and my inspection of the property.
17. The appraiser was instructed to value the property based upon the dimensional regulations and other land use controls that govern the development of properties located in the Central Business District. The City of Somerville requested that this appraiser provide a land value for future hotel development. Although this value is presented as the final value, hotel development is not considered to be the highest and best use of this property due to its very small lot size. To avoid confusion and not to mislead the readers, both the hotel value and the commercial land value are presented in this report. The final value of \$500,000 assumes hotel development and, in my opinion, other uses would generate a higher land price. Therefore, if the site is redeveloped with an office building, a retail building or any other improvement other than a hotel, the land value is \$870,000.

Subject Property Photographs

Grove Street and Highland Street Parking Lot, Somerville, MA



View of Grove Street Lot



View of Grove Street

Comparable Hotel Land Sales

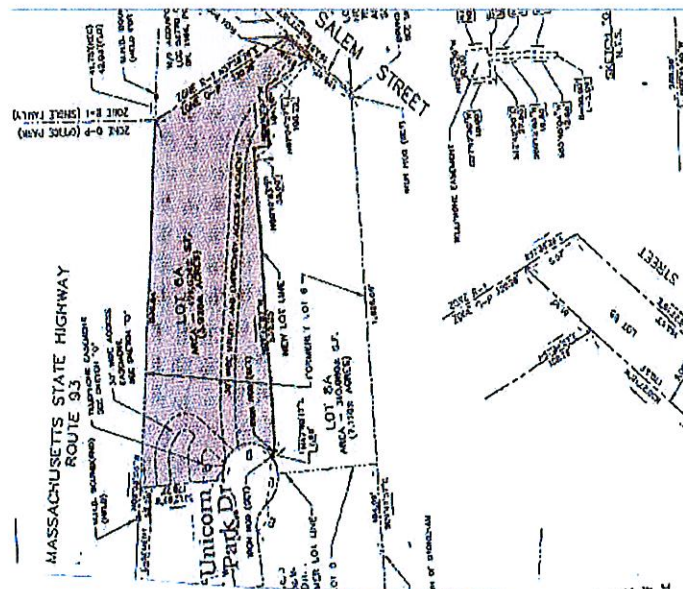
Somerville, MA



Sale 1-112 Donald Lynch Boulevard, Marlborough

Comparable Hotel Land Sales

Somerville, MA



Sale 2- 700 Unicorn Park Drive, Woburn

Comparable Hotel Land Sales

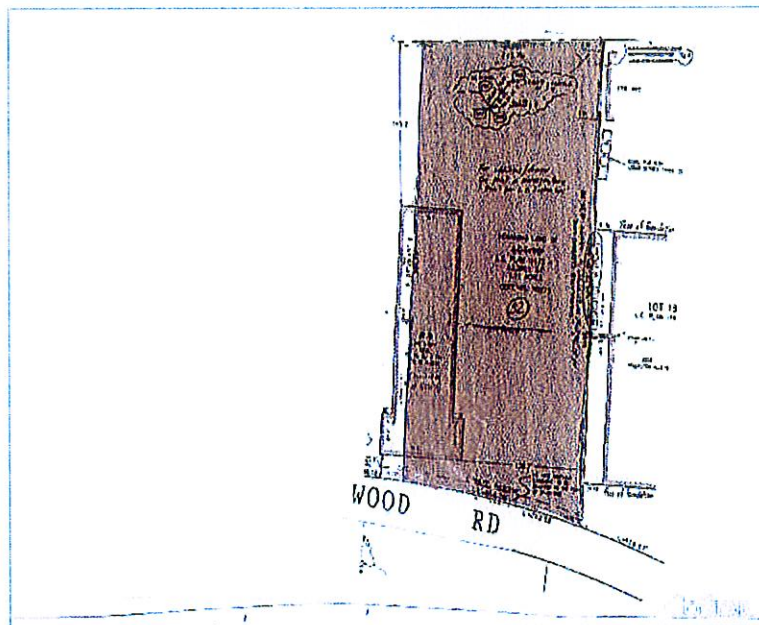
Somerville, MA



Sale 3- 43 Newbury Street, Peabody

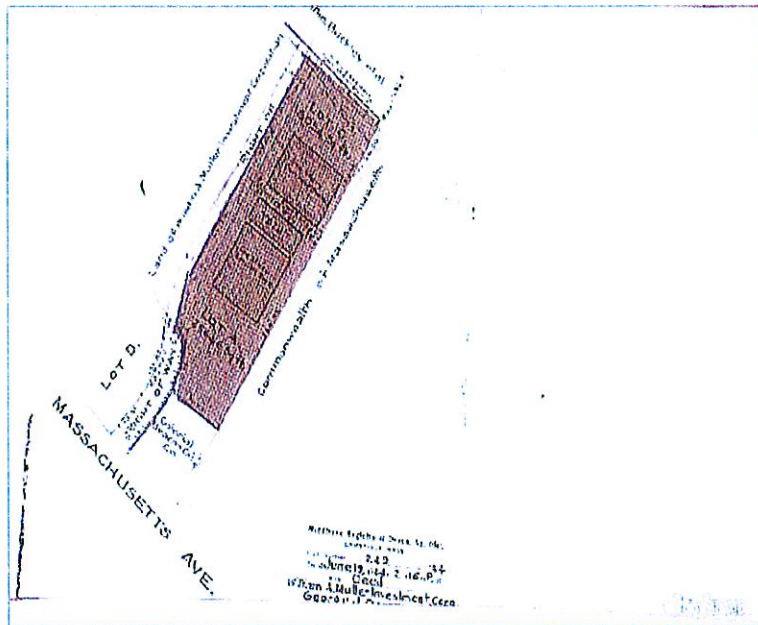
Comparable Hotel Land Sales

Somerville, MA



Sale 4- 215 Wood Road, Braintree

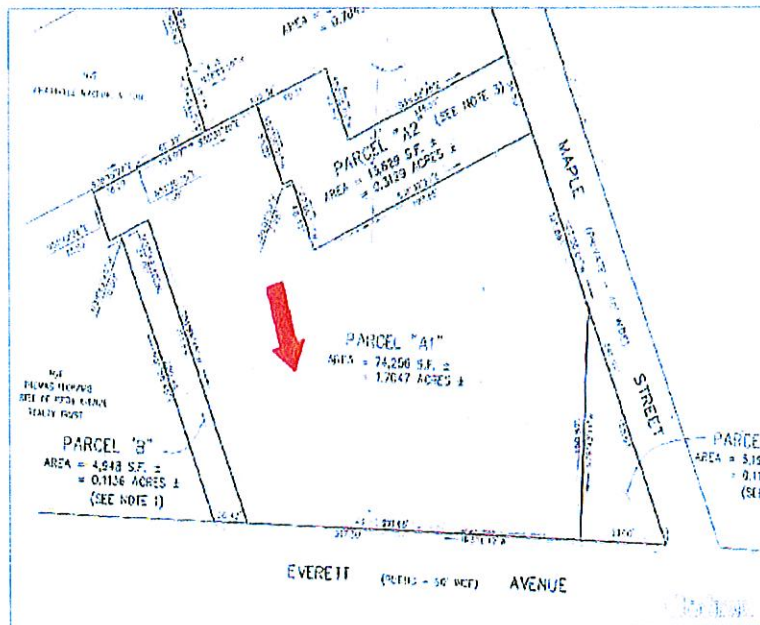
Somerville, MA



Sale 5- 19 Massachusetts Avenue, Arlington

Comparable Hotel Land Sales

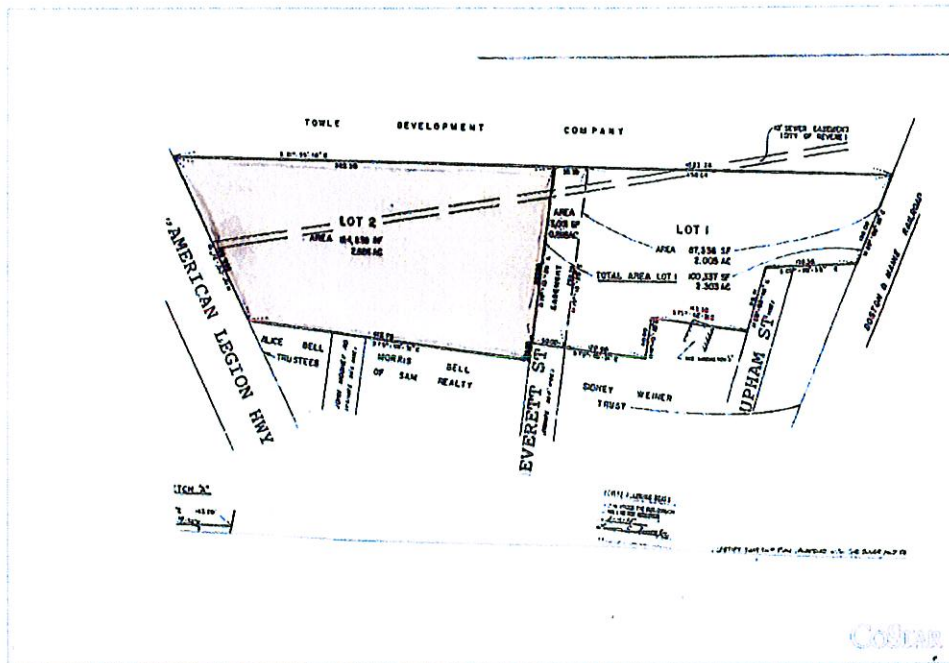
Somerville, MA



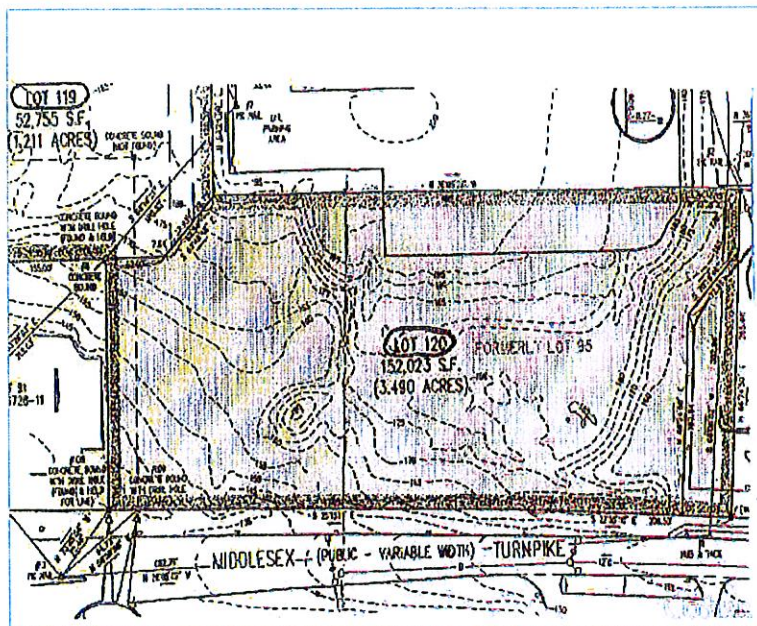
Sale 6- 203-211 Everett Avenue, Chelsea

Comparable Hotel Land Sales

Somerville, MA



Sale 7- 85 American Legion Highway, Revere



Sale 8- 120 Middlesex Turnpike, Burlington

QUALIFICATIONS OF WALTER H. PENNELL, MAI, CRE

Education

Graduate of Northeastern University, Boston Massachusetts, with Bachelor of Science Degree in 1977.

Professional Organizations and Trade Affiliations

Member, Counselors of Real Estate (CRE)
Member, Appraisal Institute (MAI; SRA); Have completed requirements of Continuing Education Program of Appraisal Institute.
Licensed Real Estate Broker, Commonwealth of Massachusetts
Certified General Appraiser, Massachusetts, License No. 386

Professional Appraisal and Consulting Experience

Senior Vice President
Hunneman Appraisal & Consulting Company **December, 1983 to Present**
Boston, MA

Mr. Pennell was promoted to Senior Vice President of Hunneman Appraisal and Consulting Company in 2004. Mr. Pennell's appraisal experience covers a 30+ year period beginning in 1977 and recent appraisal and consulting experience involved marketability/feasibility studies, highest and best use analyses, arbitration disputes, litigation support and other real estate counseling assignments that were completed for acquisition, disposition, condemnation, city planning, assessment equalization, corporate decision making, probate, estate planning, mortgage financing and reuse purposes. Mr. Pennell has appraised or acts as a consultant for a variety of properties including large apartment complexes, multi-family land, retail plazas, restaurants, office building and special purpose properties including schools, hospitals, church and convents, automobile dealerships, hotels, nursing homes and assisted/elder care facilities.

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A representative list of major assignments over the past 25 years follows:

- Highest and Best Use and Consulting study of the former Metropolitan State Hospital located in Lexington, Waltham and Belmont, a 300 acre site improved with 900,000 sq. ft. of vacant hospital space to be sold based on several master plans and re-use studies required under a state mandated RFP
- Assisted with the appraisals of 250+ improved and vacant parcels in East Boston, South Boston and the North Station area relating to the Central Artery/Tunnel project.
- Multiple property portfolio assignments involving highest and best use and consulting studies, land residual analyses, and course of action recommendations conducted for Verizon, Emerson College, Boston University, and Boston College.
- Over 100+ approved and potential residential subdivisions throughout Eastern and Central Massachusetts
- Numerous appraisal and consulting assignments involving contaminated residential, commercial and industrial properties
- Consulting assignments involving underutilized mill buildings, former hospitals including Malden Hospital and Symmes Hospital and conversion studies of various nursing homes, assisted living facilities and CCRC (continuing care retirement communities).
- Commercial and industrial properties for the Boston Convention and Exhibition Center.
- Marketability and feasibility studies involving various multi-family properties to be converted from apartments into condominiums or new condominium construction along the Boston Waterfront in the 1980's under for the Federal Home Loan Board under their R-41-C appraisal requirements.
- Hotel properties including Hyatt Regency, Sonesta and Marriott in Cambridge, The Tremont House in Boston and the Holiday Inn, Newton
- Numerous restaurant appraisals throughout eastern Massachusetts and in Boston and have written several published restaurant articles.
- Arbitrator or third appraiser required under purchase options and re-lease agreements.

Court Testimony

Federal Bankruptcy Court
Superior Court, Suffolk County
Middlesex Land Court
Appellate Tax Board, Commonwealth of Massachusetts
Probate Court, Norfolk County

Four Year Court Testimony / Pre Trial / Depositions

General Electric Corporation Vs Everett Board of Assessors - Appellate Tax Board,
Commonwealth of Massachusetts
(Retained by General Electric regarding ongoing real estate abatement involving 40.5 acre
contaminated site ATB Hearing Scheduled September 2007)

Mary Ann Morse Health Care Corporation vs. Framingham Board of Assessors)
Appellate Tax Board, Commonwealth of Massachusetts (Assisted Living Facility) January 2004/
January 2005 (Assessment Appeal)

Cacciola vs. Cacciola – Middlesex Superior Court – September 2005
(Partnership Dispute and allocation of real estate assets comprising 6 Cambridge Apartment
building totaling 82 units)

Martin and Carol Levin, Et Al Vs JCHE Framingham Elderly, Inc Et AL
Middlesex Land Court
Affidavit of Walter H. Pennell October 2005
(Proposed elderly housing development represented Defendants regarding diminution in value
claim brought by the abutters)

Tishman Speyer Property L.P Vs the Chofaro Company (Bankruptcy proceedings one of several
appraisers retained on behalf of Plaintiffs May 2004 for the Federal Bankruptcy Court)

Prior Employment History

Com/Fed Appraisal Services, Inc.
Lowell, MA
Appraiser

May, 1983 - December, 1983

Appraisal of condominiums, single-family and multi-family homes as part of the residential mortgage lending operations of Eastern Mortgage Company and Commonwealth Federal Savings. Review of all appraisals to insure the accuracy, validity and equity of the three approaches to value before sales to the secondary mortgage market.

Bureau of Local Assessment
Massachusetts Department of Revenue
Appraisal Supervisor

July, 1981 - May 1983

Supervisor of Certification Review Team; reviewed assessments in more than 60 communities throughout Massachusetts; responsible for crew assignments; organized and reported team findings to assessors and the Bureau of Local Assessment Commissioner and corrective action for various reevaluation companies employing various mass appraisal techniques including the Cost Approach and Multiple Regression.

Responsible for certification process and review of Mass revaluation pursuant to Chapter 797 of the Acts of 1979; Project Monitor of state-mandated revaluation of contracts, ultimately responsible for final value estimates.

Patten Appraisal Association
Portland, Maine

January, 1980 - June 1981

Commercial & Industrial Supervisor (Reevaluation of various New England Communities including Lexington Massachusetts in 1981)

Cole-Layer-Trumble/United Appraisal
Dayton, Ohio
Residential Supervisor

August, 1977 - December, 1979

Review multiple regressions, market and cost revaluation programs. Conduct training of field personnel in listing and analyzing of market data. Interpret assessment estimates to commercial and residential property owners in Massachusetts, New Hampshire, Maine and Connecticut.

REPRESENTATIVE LIST OF CLIENTS

Public	Private	Institutional
Central Artery/Tunnel Project	Baron & Stadfeld	Boston Architectural Center
City of Boston, MA	Blue Cross/Blue Shield	Boston University
Cambridge Redevelopment Authority	Bolt, Beranek & Newman	Emerson College
City of Lawrence, MA	Boston Scientific Corp.	Boston College
City of Lynn, MA	Browning Ferris Industries	Houston Casualty Co.
City of Somerville, MA	Sullivan and Worcester, LLP	Sisters of St. Joseph
Commonwealth of Mass., Highway Dept.	Fiduciary Trust Company	Hallmark Health
Commonwealth of Mass., Dept. of Environmental Management	Goodwin, Proctor & Hoar	Lahey Clinic
Commonwealth of Mass., Dept. of Food and Agriculture	Tishman Speyer Properties	State Street Bank
Commonwealth of Mass., Dept. of General Services Administration	GTE	Bank of Boston
Mass. Bay Transportation Authority	Harvard Community Health Plan	Century Bank
The Trust for Public Lands	Midland Ross Corp.	Boston Private Bank
Town of Hingham, MA	Morrison, Mahoney & Miller	Cambridge Savings
Town of Maynard, MA	National Forge Company	Aetna Investment Group
	Peabody & Arnold	Berkshire Mortgage Finance Corp.
City of Chelsea, MA	Raytheon	Kemper Insurance Company
Town of Easton, MA	VERIZON	
City of Beverly, MA	Sherburne, Powers & Needham	Draper Labs
Town of Hull, MA	Hill & Barlow	MIT
Town of Norwell, MA	Nutter, McClennen and Fish, LLP	
Town of Arlington, MA	Foley, Hoag LLP	
	Fine Hotels	
	U.S. Generating Co.	
	Spaulding & Slye/Colliers	
	Goulston & Storrs	
	Bernkopf, Goodman & Baseman	
	A.W. Perry, Inc.	
	Texas Instruments	